

## **PAY POLICY STATEMENT- 2020/21**

### **1. Introduction**

The Localism Act 2011 – [Chapter 8 - Pay Accountability] requires all local authorities in England and Wales to produce a pay policy statement from 2012/13 and for each financial year thereafter and must do so with regard to any guidance from the Secretary of State for Communities and Local Government.

The Policy must be agreed by the Full Council and be publicly available.

### **2. Policy Objective**

The purpose of the Pay Policy is to provide transparency regarding the Council's approach to the setting of pay for all its employees and therefore identifies:

- The methods by which salaries of all employees are determined
- The details of the remuneration of its most senior employees, i.e. Chief Officers
- The relationship between the salary of its Chief Officers and other employees within the Council.
- Details relating to the lowest paid employees.
- Who is responsible for ensuring that the Pay Policy is consistently complied with throughout the Council.

### **3. South Ribble Borough Council's Responsibility**

It is the Council's responsibility to ensure that:

- A policy is produced for each financial year
- The policy is publicly available through its website
- The policy is applied fairly and consistently and complies with all relevant legislation

### **4. Scope**

The pay policy covers the remuneration of all employees of the Council including temporary employees. Individuals engaged through employment agency arrangements would also be covered by the policy in compliance with the Agency Workers Regulations 2010.

The policy also covers employees who are within the Shared services arrangements with Chorley Council, but are directly employed by South Ribble Borough Council.

### **5. Pay Structure**

In determining the pay and remuneration of its employees the Council will comply with all relevant employment legislation. This includes the Equality Act 2010 and the Part-time Regulations 2008.

The Council uses the nationally negotiated pay spine as the basis for its local pay structure, with the exception being those most senior level posts referred to within the Policy. The Council also adheres to the national pay bargaining arrangements in respect of increases to the nation pay spine.

The pay spine is used to determine the salaries of all council employees, apart from the Chief Officers and senior officers, which are addressed separately within this policy. The grading structure of most posts was established as part of the Single Status job evaluation process and subsequent pay grade structure was adopted following Council approval in April 2007. This also addressed the Council's approach to the job evaluation of posts and the harmonisation of key terms and conditions of employment. Since 2007 all new posts and posts that have changed significantly are evaluated in accordance with the same Job Evaluation Scheme. The Council operates the GLPC [Greater London Provincial Council] Scheme

All other pay related enhancements and payable allowances/expenses are the subject of either nationally or locally negotiated and/or determined rates.

The Council complies with all relevant legislation and statutory guidance, including the Criminal Finances Act 2017 and the Intermediaries Regulation 35 (IR35), to ensure that all employees and workers engaged to cover Council posts pay the correct rates of tax and National Insurance at source.

## **6. Senior Management Remuneration**

The Localism Act refers to the position of Chief Officer and Deputies, states that this refers to: the Head of Paid Service; Statutory Chief Officers; non-statutory Chief Officer posts and their direct reports (known as Deputy Chief Officers). It should be noted that this definition is very broad and takes account of Metropolitan and County Councils as well as District Councils with far fewer management levels.

Therefore, for the purpose of this policy for South Ribble Borough Council, Chief Officers are:

- The Chief Executive (Head of Paid Services)
- Shared Director of Governance
- Director of Neighbourhoods and Development
- Director of Planning and Housing
- Director of Customer and Digital

In addition, the Shared service Lead - Legal, Shared service lead – Communication and Events, Assistant Director of Neighbourhoods, Assistant Director of Projects and Development, Assistant Director of Property and Housing and Assistant Director Democratic Services and Scrutiny

### **Chief Executive**

Prior to the appointment of a Chief Executive, full council will determine the salary of the post to be advertised. Appointment to the post is undertaken by the Appointments and Employment Panel, the membership of which is agreed annually by full council and the panel would make a recommendation to appoint, which must then be approved by full council.

The level of salary for the Chief Executive, who is the Head of Paid Services, is between £103,925 to £122,728 (over 11 incremental points). The Chief Executive Appointment panel can negotiate a

starting salary prior to appointment, which must also be approved by full Council. Thereafter, progression through the incremental points is annual based on satisfactory performance review. The salary is increased annually in line with the JNC negotiated national agreement.

The Chief Executive also receives an essential car user lump sum and the reimbursement of professional subscription fees where membership of a professional organisation/s is required to carry out the full role of the post.

The Chief Executive will also take on the role of Returning Officer for any Local, National and European elections, payment for which will be in accordance with the statutory calculation.

Any other allowances relating to the post are the same as for all other posts within the Council, for example, reimbursement of fuel expenditure from business travel.

### **Deputy Chief Executive**

This is a shared position with Chorley Council and Chorley are the employer and therefore the details of remuneration are contained within the Chorley Council pay policy.

### **Director and Assistant Director Senior Officer Remuneration**

There are three posts of Director, one shared director post, two Shared Service Leads and four Assistant Directors.

The following posts are appointed by the Appointment and Employment Panel, as these positions hold a statutory function.

- Shared Corporate Director of Governance (Monitoring officer)
- Shared Service Lead – Legal Services (Deputy Monitoring Officer)

The following are Officer led appointments, overseen by the Head of Paid Services:

- Director of Planning and Property
- Director of Customer and Digital
- Director Neighbourhoods and Development
- Assistant Director Neighbourhoods
- Assistant Director Scrutiny and Democratic Services
- Assistant Director Property and Housing
- Assistant Director Projects and Development
- Shared Service Lead – Communications and Events

The level of salary for the above post are as follows:

<b>Job Title</b>	<b>Salary range</b>
Shared Corporate Director of Governance	Spot salary £75,000
Shared Service Leads	Spot Salary £60,000
Director	£62,411 to £66,300 (5 incremental points)
Assistant Director	£48,007 to £51,000 (5 incremental points)

Any other allowances relating to the posts are the same as for all other posts within the Council, for example, reimbursement of fuel expenditure from business travel.

Annual increases are in line with NJC Terms and Conditions

### **Specialist Experts Positions**

In order to attract and retain the most specialist or expert skills in may be necessary to negotiate a pay rate outside of the Senior Management pay structure. Such pay rates are determined based upon the current market rate for the specialist skills.

Recruitment to such posts may be directly or via recruitment agencies. Contract procedure rules must be applied when considering these contracts. It is expected that most specialist contracts are inside IR35 and therefore the Council is responsible for the payment of Tax and NI for the individual, although the Contract may not necessarily be on the same terms and conditions of an employee.

Currently there is one senior position which is a specialist post: - the Interim Head of Shared Assurance. The Shared Assurance function is subject to review and this specialist post is required to help lead that process.

## **7. Recruitment of Chief Executive and Chief Officers**

Under Section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit” where there is a requirement to recruit to the post of Chief Executive or Chief Officer.

The appointment to the Council’s Chief Executive and statutory officer posts will be dealt with by the Appointment and Employment Panel and in accordance with the Council’s constitution.

All other senior positions are appointed under the delegated powers of the Head of Paid services.

## **8. Relationship between Chief Executive/Chief Officer Pay and other Employees**

Under the provisions of the Code of Recommended Practice for Local Authorities on Data Transparency, issued by the Ministry for Housing, Communities and Local Government (MHCLG) (formerly Department of Communities & Local Government – DCLG) under section 2 of the Local Government Planning and Land Act 1980, the Council is expected to publish its “pay multiple”, i.e. the ratio between the highest paid salary and median average salary of the whole of the Council’s workforce.

The relationship between the maximum average salaries of the Chief Executive and Chief Officers and the median salary of £25,047 (\*the 2020/21 pay award is pending these figures are based upon 19/20 salaries and will be updated when the pay award is announced)

<b>Post</b>	<b>Ratio</b>
Chief Executive salary	1:4.8
Shared Director	1:2.99
Directors salary	1:2.65
Assistant Directors salary	1:2
Shared services lead	1:2.4

The relationship between the maximum salaries or spot points and the lowest paid salary of £17,942

Post	Ratio
Chief Executive salary	1:6.7
Shared Director	1:4.2
Directors salary	1:3.7
Assistant Directors salary	1:2.84
Shared services lead	1:3.34

## **9. Gender Pay Information**

The Council is requirement to report annually on gender pay gap statistics as part of the public sector equality duty. These statistics are published on its website.

## **10. Lowest Paid Employees**

The basic pay of the Council's lowest paid employees comprises a locally agreed grade range implemented in April 2007 and derived from the national pay spine, as set out in the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service.

However, the Council is committed to becoming a Living Wage accredited employer. Therefore, an hourly supplement is payable to the lowest paid staff to ensure that the Council complies with the minimum hourly rate determined by the Living Wage Foundation. The Living wage is determined annually in November and is implemented from the following 1 April. The current rate is £9.30 per hour which is an annual salary of £17,942.41

## **11. Apprentices**

There are several apprentices currently employed by South Ribble Council on fixed terms contracts. This is usually a two-year period but may be longer.

With effect from 1st April 2020 an apprentice will receive the National Minimum Wage for the upper age band of 25 and over, regardless of the age of the apprentice. This is currently £8.72 per hour.

Subject to satisfactory performance in the workplace and satisfactory progress on for the qualification, the apprentice will move onto the Living wage hourly rate for the second year of the apprenticeship.

There are also a number of employees who are undertaking apprenticeships as part of their permanent role. Where employees meet the criteria for an apprenticeship, this route is the preferred option, rather than the Council funding qualification courses. The employee will continue to receive the same pay grade for their job roles.

## **12. Other conditions Relating to Chief Officers and other Employees**

### **Performance-related Pay**

The Localism Act requires Councils to provide details of any performance related pay for its Chief Officers. However, South Ribble Borough Council does not have any such arrangements.

## **Bonuses**

There are no schemes in relation to the payment of bonuses for any employees, including Chief Officers.

## **Payments on the termination of employment**

The Council's Redundancy Policy applies equally to all employees regardless of their grade.

## **Pension Arrangements**

All employees, including Chief Officers, are entitled to join the Local Government Pension Scheme if they so wish. No alternative options are available should employees not wish to join the scheme.

## **Starting Salary**

For all appointments, including internal appointments and any employee re-graded, negotiations will commence on the lowest point of a grade, however where there is strong justification of the need for a higher starting point this will be considered. This justification must be supported by both the appropriate Director and Human Resources.

## **Grade Progression**

Each grade consists of several incremental salary points, through which employees may progress until the top of the grade is reached. Progression within each grade will normally be by annual increment at 1 April each year subject to the maximum of the grade. However, Directors have the discretion to advance an individual employee's incremental progression within the grade on the grounds of special merit or ability to assist in the retention of able professional or other staff.

## **Market Supplements**

The Council also has a process by which it can consider paying market supplements where there have been difficulties in recruiting to the posts or the market demand/supply reflects the need. By taking account of external pay levels in the labor market in order to attract and retain employees with particular skills, knowledge and experience. On such occasions the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate. All market supplements have to be agreed with *Human Resources* and the relevant Director and are reviewed regularly.

## **On Call Payments**

In order to fulfil our statutory functions employees are asked to participate in on call rotas. For Senior Management on the Strategic Duty officer rota there is no additional payments. However, for other services (e.g. Neighbourhoods, Homelessness) payment is made as follows:

Supervisory role	£295.28 per week and an additional £29.53 for bank holiday. If the employee is called out there is no additional payments made.
Neighbourhood operative	£110.90 per week and an additional £28.97 for bank holidays. If they are called out overtime payment will be made to a minimum of 2 two hours.

Mechanics £97.39 per week, plus overtime payment on an hourly rate if called out.

Emergency Daily standby (when floods, strong winds are expected) £25.60 is paid on a daily rate.

These amounts increase annually in line with the NJC pay award.

### **Professional Subscriptions**

Several employees are member of professional organisations in connection with their employment at the Council. Where there is a direct link to the employee's role, the council will reimburse the employee.

### **Honorariums**

The council has guidelines on the use of honoraria for substantial additional duties and responsibilities. Any additional payments are subject to regular reviews and must be agreed in advance of payment with the relevant Director and HR Manager.

### **Relocation Allowance**

Guidance on relocation allowance provides for up to £4,000 for actual relocation. This can be used for rent, removals, travel connected to relocation etc, provided the relocation from a minimum distance of 80 miles from the Civic Centre and is within the South Ribble area, within a set period.

### **Casual Employment for Events and Elections**

The Council historically has relied upon the goodwill of existing staff to support the successful running of Council led events. In order to create a bank of casual staff, a payment of £9.30 per hour will be paid for all staff (either existing members of staff or new casual workers) for working on Events. This will be paid for general event duties. A higher rate per hour will be paid for worker those with additional responsibility such as staff supervision, or those holding a position of responsibility at the Event.

Where the planning, coordination and management of an Event falls within an employee's job role there is no additional payments, but there may accrue Time of in Lieu or additional flexi leave.

Staff or casual workers supporting Elections Services receive set rates where the work is outside of their normal job role, e.g. canvassing, at polling stations, postal votes, vote counts etc.

### **Overtime payments**

Advice from ACAS is that "workers should usually receive the same pay while they are on annual leave as they normally receive whilst they are at work" and that "all types of overtime, including voluntary, must be included when calculating a workers statutory holiday pay entitlement, apart from overtime that is only worked on a genuinely occasional and infrequent basis"

An additional 7.69% is added to overtime payment to accommodate the required to reflect overtime in holiday pay calculations.

Overtime payments are paid in accordance with the NJC terms and conditions of employment. In addition were it is necessary for continued service provision and of best value with the delegated

approval of Head of Paid services, Directors are able to agree to overtime for more senior officers where the NJC terms only allows overtime for lower paid staff. For example, for IT officers to attend when the office is closed for system upgrades that can't be carried out during the working week.

### **13. Publication of the Policy**

The Policy will be published on the Council's Website, prior to April 2020.

### **14. Review of Pay Policy**

The HR Manager is responsible to ensure that the Pay Policy is consistently applied.

The Policy will be subject to annual review and must be approved by the Council prior to 31 March each year. If there is a need to amend the Policy between reviews, then any such amendments will be considered by the Cabinet, prior to approval by the Council.